

THIS IS THE ADOPTED RULE AND MAY BE USED TO DETERMINE TAX LIABILITY AND OR EXEMPTIONS UNTIL SUCH TIME AS THE CODIFIED VERSION IS AVAILABLE FROM THE CODE REVISER'S OFFICE.

AMENDATORY SECTION (Amending WSR 94-07-066, filed 3/14/94, effective 4/14/94)

WAC 458-19-020 ~~((One hundred six percent))~~ **Levy limit--Method of calculation.** ~~((RCW 84.55.010 and 84.55.092))~~

(1) **Introduction.** This rule explains the general method used to calculate the levy limit for the state and all other taxing districts in accordance with RCW 84.55.010 and 84.55.092. Except for the state levy, the same method is generally used to calculate the amount of regular property taxes that can be levied by a taxing district in any year. This rule also describes what occurs when a taxing district makes a finding of substantial need in accordance with RCW 84.55.0101 to use a limit factor in excess of one hundred percent plus inflation. This rule does not attempt to include all special circumstances that may affect the applicable limit under chapter 84.55 RCW.

(2) **Increase in tax revenues - Ordinance or resolution required.** No taxing district, other than the state, may authorize an increase in property tax revenue, other than one resulting from an increase in assessed value of the district attributable to new construction, improvements to property, or any increase in state assessed property except by holding a public hearing and adopting an ordinance or resolution. The ordinance or resolution may cover a period of up to two years, but the ordinance or resolution must specifically state for each year the dollar increase and percentage change in the levy from the previous year. The dollar increase and percentage change should reflect everything included in the levy limit and should not reflect anything excluded under chapter 84.55 RCW (such as, but not limited to, a levy for property tax refunds paid under the provisions of chapter 84.68 or 84.69 RCW).

(a) A majority of the legislative authority of a taxing district must approve an ordinance or resolution authorizing an increase in the taxing district's levy as calculated in subsection (3) of this rule.

(b) Upon making a finding of substantial need to increase its levy by an amount greater than the rate of inflation, the legislative authority of a taxing district may adopt a second ordinance or resolution establishing a limit factor greater than one hundred percent plus inflation. But the substantial need limit factor can never exceed one hundred one percent.

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(i) In districts with legislative authorities of four members or less, two-thirds of the members must approve an ordinance or resolution supporting a substantial need to increase the limit factor.

(ii) In districts with more than four members, a majority plus one must approve an ordinance or resolution supporting a substantial need to increase the limit factor.

(3) Calculation of levy limit for all taxing districts other than the state. The amount of regular property taxes that can be levied by a taxing district other than the state in any year ~~((shall be))~~ is limited to an amount that will not exceed the amount resulting from the following calculation, except as otherwise provided ~~((in WAC 458-19-045 (Lid lift))~~ by statute:

(a) ~~((Multiply))~~ The highest amount that could have been lawfully levied by the taxing district ~~((other than the state))~~ in any year since 1985 for 1986 collection, multiplied by ~~((one hundred six percent; add))~~ the limit factor; plus

(b) A dollar component calculated by multiplying the increase in assessed value of the district from the previous year attributable to new construction, improvements to property, and any increase in the assessed value of state assessed property, by the actual regular property tax levy rate of that district for the preceding year, or the last year the taxing district levied taxes.

~~((+2))~~ **(4) Calculation of levy limit for the state levy.** The ~~((one hundred six percent))~~ levy limit for the state ~~((shall be))~~ is calculated in the same manner as for other taxing districts except that ~~((one hundred six percent))~~ the limit factor is multiplied by the highest amount that was lawfully levied by the state in the three most recent years in which such taxes were levied.